

# Vistage in DC

Briefings from the U.S. Chamber of Commerce,  
exclusively for the Vistage community



CEOs of small and midsize businesses are grappling with erratic and conflicting economic policies. Many businesses that benefited from tax savings in 2017 are dealing with unpredictable tariff costs in 2018, while unsettled trade policies are exacting a toll on bottom lines. Making growth-oriented decisions or engaging in meaningful strategic planning is challenging.

With such uncertainty, insightful data analysis and expert insider perspectives provide an invaluable edge in making informed decisions. Even more impactful are the rare opportunities to meet face-to-face with experts who influence legislation.

In June 2019, a group of Vistage community members convened in Washington, DC. They met with leaders from the U.S. Chamber of Commerce (USCC) and the White House to explore topics of particular interest to owners of small and midsize businesses. Chamber policy experts presented briefings on current trends and economic indicators, and addressed relevant legislation and regulatory activity (or inactivity, in some cases).

Vistage members asked questions and offered their first-person accounts of how current challenges are affecting their businesses. Through this exclusive briefing, leaders who shape policy gained real-world insights from the perspectives of Vistage members.

This report, prepared exclusively for the Vistage community, summarizes the insights provided by the USCC and the major takeaways.



Vistage Chairs and members in Washington DC

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# Tax briefing

*The 2017 Tax Cuts and Jobs Act is expected to drive economic growth, but don't expect additional legislative action for some time.*

Briefing with  
**Caroline Harris,**  
 U.S. Chamber  
 Vice President, Tax  
 Policy & Economic  
 Development



Caroline L. Harris directs the development and promotion of the Chamber's policy on tax-related matters. Additionally, she works with other Chamber policy centers to advance specific policies to improve economic growth. She analyzes tax legislation and other revenue-raising provisions as well as tax reform proposals. She routinely meets with policymakers to promote the Chamber's tax policy. She also frequently speaks to local chambers of commerce and member companies to educate them on the Chamber's tax priorities, the current legislative outlook and other pro-growth initiatives, and to assess what provisions affect their businesses.

## Background on taxes

The 2017 Tax Cut and Jobs Act was the first major tax reform in the United States in more than three decades. The goals of this landmark act are to lower tax rates for all businesses, make the tax system more competitive, and unleash a new era of growth.

Following enactment, the Department of Treasury initiated numerous rulemaking proceedings to implement the new law. The U.S. Chamber of Commerce has taken the lead in representing the interests of small business taxpayers in these rulemaking proceedings.

## Key tax-related issues small and midsize businesses are facing

Even after the passage of tax reform, small and midsize businesses continue to face a complicated compliance environment. Vistage representatives raised several challenges stemming from

the application of the tax code to member businesses, such as the treatment of state and local taxes under federal law, collection of sales tax across state lines, and increasingly aggressive proposals of state taxation of professional services.



**“There is little appetite for tax reform 2.0 in Congress right now”**

– Caroline Harris,  
U.S. Chamber Vice President,  
Tax Policy & Economic Development

## Briefing takeaways

### Legislatively, little activity is expected in the tax space for some time.

After passage of milestone tax legislation, Congress is disinclined to take on a significant new tax package and is unlikely to pass other tax-related legislation. An exception is the fairly routine extension of expiring tax provisions. Historically, tax reform is more likely when government is under one-party control. This is in contrast to infrastructure legislation, which can succeed under divided government.

The lack of appetite to take on new tax measures means Congress is unlikely to address concerns raised by Vistage members in the near future. Specifically:

- **Vistage participants expressed interest in the treatment of state and local taxes (SALT) under federal law.** The 2017 law placed a cap on the SALT tax deduction. Asked whether to expect a return to pre-2017 treatment of SALT taxes, Harris indicated there was little incentive or interest in Congress to revisit this issue, which primarily impacts high-income taxpayers in a limited number of states. The IRS has prevented various workarounds.
- **Vistage members noted the cost and complexity of collecting sales tax across state lines.** Congress is also unlikely to address disparities in sales tax collection among states. The Wayfair case changed the nexus rules to allow states to collect these taxes. Even though compliance with different jurisdictions is known to be a burden for small and midsize businesses, Congress has little interest in acting. For Republicans, it would go against their philosophy to decentralize to state and local authority. All members of Congress understand that elected officials in their states have devised a particular tax base, and that upending one basket of revenue impacts the whole pie.
- **Vistage participants noted that the tax treatment of professional services is not favorable.** First, they do not receive the qualified business interest deduction under the 2017 law. Second, they fend off frequent efforts by states to expand sales tax to include professional services. (The Chamber does not weigh in on state tax issues, typically, unless there are national policy implications.) With respect to both issues, members of Congress are wary of the optics of appearing to benefit perceived wealthy professionals and are unlikely to act.

- **One exception where congressional action is feasible is tax extenders.** Most tax extenders are a collection of temporary tax provisions, usually extended by Congress. This includes, for example, clean energy and energy-efficiency incentives, qualified tuition deductions, and excise taxes on beer, wine and distilled spirits. Of these, there are provisions that have already expired or that will expire at the end of this year. These are typically restored retroactively in an extenders package. The end-of-year spending bill is a possible vehicle. The other category of extenders includes new provisions that were temporary in the 2017 tax reform. These have different expiration dates in the coming years. Congress is not expected to take these up, as members show little inclination to re-litigate the same fights so soon.

**Broader trends indicate the U.S. economy may be entering a cyclical slowdown.** After a long period of sustained growth, there are indications the economy may be poised for a slowdown. This is one reason the Chamber advocates for injecting the economy with strong infrastructure investment. The Chamber also has concerns that aspects of trade policy do not mitigate these cyclical economics effects, discussed in greater detail in the Trade Briefing.

## Vistage member perspective on tax policy

When the 2017 tax law passed, we saw a real scramble. Clients were trying to figure out how to avoid property taxes and prepay because of the SALT tax changes. Many districts in the Pittsburgh area put an end to that. They said you couldn't do that. They wanted to collect the taxes that they needed to collect. We also saw private clients trying to figure out how to redo their tax returns because the 1040 was now dramatically different. And even as a professional service provider, we sought answers as to how it affected our firm — and we learned that in fact it didn't. We didn't get any of the benefits of tax reform. Many accountants, lawyers, physicians and wealth managers found themselves excluded from it.



Paul Brahim,  
CEO, BPU Investment  
Management

One of the most important takeaways from the Tax Briefing to me was that the Chamber is focused on the issues of tax reform that affect business and industry and help drive economic growth, and not on social re-engineering of the tax code. I really appreciated that. Also, there's probably no hope for Tax Reform 2.0, since the House and Senate are divided between the parties. Reform 2.0 is unlikely unless there's a major black swan catalyst that would affect the U.S. economy and require tax reform to save the day. Let's hope that black swan never happens.

On a personal note, every decade I've seen politicians promise tax reform. But if we look at the total taxes that we pay on a decade-by-decade basis, they range somewhere between 30% and 32%. So the changes come from shifts within those taxes, but the amount of money that goes out of our pocket doesn't seem to change. And hopefully the government will learn how to live on what they collect from us, as the government is reaching a ratio of near 100% debt to GDP, as Caroline mentioned.



# Trade and tariff briefing

Top priorities focus on passing the United States-Mexico-Canada Agreement and eliminating new tariffs on imports.

## Background on trade and tariffs

98% of the roughly 300,000 U.S. companies that export are small and midsize businesses, and their number has risen about threefold over the past 20 years. Nearly 40 million Americans' jobs depend on trade. This includes more than 6 million U.S. manufacturing jobs — roughly half of all manufacturing employment — which rely on exports of manufactured goods. Markets that represent 80% of the world's purchasing power, 92% of its economic growth, and 95% of its consumers lie outside of the U.S..

Vistage members described how the current uncertainty around tariffs, especially with China and Mexico, impedes the ability of these firms to plan ahead. While Murphy recognized many things have been going right in the U.S. economy, tariffs and trade uncertainty have been a brake on growth.

Briefing with  
**John Murphy**,  
U.S. Chamber  
Senior Vice  
President,  
International Affairs



John G. Murphy directs the U.S. Chamber's advocacy relating to international trade and investment policy. Since joining the Chamber in 1999, he has led a dozen successful campaigns to win congressional passage of trade agreements, as well as passage of Trade Promotion Authority in 2015.

## Briefing takeaways

**Trade tensions with China are the result of longstanding concerns with Chinese practices, but there are questions about the administration's approach of imposing tariffs.**

For many years, concerns have been raised about Chinese practices relating to the theft of intellectual property, unfair competition from state-owned enterprises, and other forms of industrial policy. Like many in the business community, the Chamber is supportive of efforts to address these issues, but many in the U.S. business community have opposed the administration's widespread use of tariffs, preferring instead to work in coordination with U.S. allies to confront China's behavior.

Participants debated the underlying cause of the tension. Does the U.S. merely want China to compete fairly on an even playing field, or is the goal to prevent China from challenging the economic supremacy of the U.S.? Participants who regularly do business in China referenced a speech last fall by Vice President Mike Pence that garnered significant attention in China. That speech identified a number of Chinese practices that U.S. observers see as threatening national security. To their contacts there, it increasingly appears that the U.S. is trying to halt China's "peaceful rise."

The recent meeting between President Trump and President Xi at the G20 (which had not yet occurred at the time of the Vistage-USCC event) delayed the latest round of tariffs and restarted negotiations, but discussions took a negative turn in August with the announcement by the White House of plans to expand tariffs to cover virtually all imports from China, effective September 1. There was some discussion about the impact of election-year politics and economic trends on President Trump's trade posture, and whether he might want to avoid risking harm to key sectors and regions with increased tariffs in the coming year. Regardless, participants observed that across a number of sectors, businesses are rethinking their supply chain so as not to be solely reliant on China.

## **The causes of tensions with other trading partners are more opaque, but reflect an uncertain trading environment around the world.**

In the view of the Chamber, there need not be pronounced trade tensions with the EU, the largest trading relationship in the world by far. The Chamber supports the negotiation of ambitious, comprehensive trade agreements with Japan, the EU and the U.K. (post-Brexit) that hew closely to the negotiating objectives established in the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (known as Trade Promotion Authority). The current and threatened tariffs on items such as steel, aluminum and automobiles run counter to this objective.

Trading relations with partners such as Japan have been impacted by the withdrawal of the United States from the multilateral Trans-Pacific Partnership (TPP), with the U.S. agriculture sector losing ground. Current negotiations may produce an “early harvest” deal this fall in which Japan makes some agricultural concessions and the U.S. reciprocates by lowering some industrial tariffs. In the meantime, the Trump Administration may be moving to a more confrontational approach to India. In an effort to resolve current trade disputes, India offered to meet many U.S. demands, but was rebuffed. Moreover, the administration has taken early steps to explore using international trade law against India as it has with China.

## **The U.S. is grappling with a changing role in the world economy.**

In the view of some Vistage participants, the U.S. has long set the rules for global trade and has benefitted from that position. In the face of current trends, however, the U.S. no longer possesses such a dominant role and is unable to dictate the rules of the game. However, most still believe that benefits from global trade still accrue to the U.S.. Others posited that perhaps previous efforts to curb China’s systemic abuses of international trade norms had failed, and a new approach was warranted.

## **The U.S. Chamber’s priorities**

The top near-term priority of the U.S. Chamber and the Trump Administration is the passage of the USMCA.

Speakers throughout the day reiterated the importance of passage of the United States-Mexico-Canada Agreement (USMCA) to modernize NAFTA and avoid the imposition of tariffs on North American trade. Murphy emphasized the goal that bipartisan congressional leaders and administration officials work cooperatively on this agreement.

One outstanding issue involves the IP protection provided to biologics, which Murphy asserted would not impact drug prices in the United States. But this remains a concern since drug prices are a top concern of many Americans.

If the United States withdraws from NAFTA without the subsequent agreement in place, tariff levels would automatically revert to high pre-NAFTA levels and significantly impair the North American supply chains that have evolved. The Chamber opposes moves to withdraw from NAFTA without a successor agreement in place.

## **Negotiations with trading partners are the preferred means of addressing imbalances, rather than imposing tariffs.**

The Chamber advocates terminating recent U.S. tariffs on imports of steel and aluminum (they were lifted from Canada and Mexico in May) and a wide range of goods from China. It also opposes threatened tariffs against imports of automobiles and auto parts. These tariffs are taxes on American consumers and businesses. This approach undermines U.S. competitiveness

**North American trade supports 12 million U.S. jobs. U.S. manufacturing exporters sell more to Canada and Mexico than the next 11 markets combined.**

**“The Chamber has made clear that should such tariffs be imposed, we will consider all options, including litigation. It’s that important”**

– John Murphy,  
U.S. Chamber Vice President,  
Tax Policy & Economic Development

without achieving its intended policy goals. Tariffs are the wrong approach to address unfair trade practices. A number of Vistage members described the impact the uncertain tariff environment is having on their businesses and those of their members.

While awaiting passage of the USMCA participants expressed consternation at President Trump’s recent threat of new tariffs on goods from Mexico related to immigration policy, and had lingering questions.



From left to right, Vistage member Mark Laufer, CEO, Laufer Group International; Vistage Best Practice Chair Robert Powell, and Vistage Best Practice Chair Bob Holland.

## Vistage member perspective on trade policy

I founded White and Warren 23 years ago. Very recently, we found out that there was going to be 25% “punitive surcharges” (tariffs) on top of the range of 7% to 30% that we already pay on our production coming out of China. We predominantly make sweaters for women and knitted accessories in China, so we had to scramble to figure out what to do next. The issue for us in 2019 is that the product has been sold already to small businesses throughout the U.S., and so we can’t really change the prices. That additional 25% will take away most of the net income we would see for this year.

Because of the nature of our production in the luxury cashmere sector, the yarn is purchased in Mongolia. Then we bring it to China and knit in fine-gauge knitting factories where the make is quite fine and the finish is not really available in most other countries. The way we finish the garments, inside and out, is not available in the U.S.. So the issue is where can we find other production facilities, other factories that can make our goods? We’re a small business and make small units — roughly a thousand pieces of a style. Available options other than China don’t work for us, both in the way they produce sweaters and the huge quantities they make.

What I learned in the most recent session is that the apparel industry is making a push for the administration to delay the tariffs, hopefully past 2020. I’m really just in a waiting period. We’ve already changed prices by increasing our suggested retails for 2019, but we can’t change the wholesale prices to our customers because they made the purchase in January or February. We work a year in advance, and I have already paid the factories in China for most of the goods. So there’s not really much we can do for 2019.



Susan White Morrissey,  
Founder and CEO,  
White + Warren

# Small business policy roundtable

*Improving the ability of small businesses to attract talent dominated discussions, with particular attention to policies on health care and retirement benefits.*

Briefing with  
**Thomas Sullivan,**  
U.S. Chamber Vice  
President, Small  
Business Policy



Thomas Sullivan works with chambers of commerce and the U.S. Chamber's nationwide network to harness the views of small businesses and translate that grassroots power into federal policies. He runs the Chamber's Small Business Council, engaging members on a regular basis to increase small business input.

Sullivan served under President George W. Bush as the highest-ranking government official charged with exclusively advocating the views and needs of small business before government agencies and Congress. As chief counsel for advocacy at the U.S. Small Business Administration (SBA), he was directly involved in numerous regulatory and legislative matters and testified frequently before Congress. The hallmark of his tenure at the SBA was a national legislative initiative guaranteeing that small business has a voice in state regulatory decisions

Briefing with  
**Megan Trzcinski,**  
U.S. Chamber  
Senior Director,  
Office of Strategic  
Alliances and  
Outreach



As of July 2019, Megan Trzcinski took on the role of Senior Director in the Chamber's Office of Strategic Alliances and Outreach.

Previously, Megan managed the Small Business Council membership and engaged members to increase small business involvement in Chamber activities.

Trzcinski has also worked with the Chamber's Executive Office in developing and overseeing board of directors meetings. She supported the chairmen of the board and determined locations and events for speeches and other Chamber-related content during their tenures.

## Background on small business policy at the U.S. Chamber

A small business owner can engage in the work of the Chamber in several ways. Local chambers are the first resource, because they have regular contact with local elected officials and help set priorities. Representatives from the U.S. Chamber strongly encouraged CEOs to start at the local level and cement relationships with government representatives there.

For those with a passion around public policy, the Small Business Council is the U.S. Chamber's principal policy committee and action group representing issues of concern to small business. In addition to formulating small business policy, the Council assists in creating strategies on legislative, regulatory, and international initiatives. The group brings issues the Council regards as important to the Chamber's board.

In addition, the U.S. Chamber focuses in Congress on cultivating small business champions. The Chamber relies heavily on the Small Business Committees in both houses of Congress to lift up the issues and challenges faced by small businesses. Other natural allies in Congress are members who have operated small businesses themselves. The Chamber seeks to cultivate a local angle by leveraging constituents in the district to reinforce similar messages.

## Briefing takeaways

**Chamber representatives and Vistage members are particularly focused on infrastructure, continuing regulatory reform and access to capital.**

The challenge of rebuilding the nation's infrastructure was raised in every meeting regardless of context. The Chamber representatives said that "main street" businesses suffer more every year from the failure to address the devastating condition of U.S. infrastructure.

The regulatory reforms of the Trump Administration (which were not discussed in detail) have provided significant benefits that do not draw much public attention. However, while the reforms have not garnered much attention, the representatives from the Chamber noted that the government's measurement of "regulatory burden" is at its lowest level in years.

The Chamber says it believes it is not incompatible for small business to thrive and to simultaneously ensure clean air, borders,

financial security and so on. To keep the deregulatory process moving seamlessly, the Chamber is happy to keep this progress quiet.

Vistage participants raised the ongoing difficulty of access to capital that can stymie the growth of small and midsize businesses. Members discussed reducing the regulatory burden on new financial players, such as fintech startups, that might offer more innovative solutions to small businesses than traditional banks.

Yet others expressed the view that community banks themselves should be subject to reduced regulation to better meet the needs of those small businesses with limited working capital. Access to capital was also referenced in the context of succession planning for small businesses, where an owner, unable to gradually draw liquidity from their business, may face the uncomfortable choice to sell. For businesses that frequently find themselves in survival mode, planning just 30-60 days out, succession planning is difficult to implement.

### **The Chamber works to balance the needs of small business with interests of large companies.**

When asked by a Vistage member about this possible tension, the Chamber representatives explained the careful balancing act they undertake. They cited specific examples, such as advocating for fair treatment of lower income tax rates in the tax reform package in 2017. They also touted their role as a convener able to open communications channels with large companies to help resolve issues experienced by smaller companies, such as a problem a small member company faced with the sale of counterfeit goods on Amazon.

### **Advocate your perspective**

Learn how to contact your elected officials at [usa.gov/elected-officials](https://usa.gov/elected-officials).

Explore tools from the U.S. Chamber to share your opinion with legislators at [action.uschamber.com](https://action.uschamber.com).

## The U.S. Chamber's priorities

### **A top issue among small businesses is the ability to recruit talent.**

Small business owners from a range of sectors and geographies report that talent is their top challenge in this tight labor market. The issue includes recruiting, hiring, and retaining workers.

In part, this is tied to education and ensuring an adequate pipeline of workers with the right skills in a geographic area. The Chamber pursues a variety of policies to address the talent pipeline, including K-12 and vocational education. The Chamber further promotes successful initiatives for upskilling workers. The Chamber has also advocated for holistic immigration policies that would alleviate the worker shortfall, notably in industries such as construction and development.

### **Benefits, especially those related to health care and retirement, are extremely important in competing for talent.**

***Health care:** Small business owners are disadvantaged in offering competitive health plans. The Chamber supports proposed rules to expand association health plans and alleviate the disparity between large and small companies.*

A recent Chamber survey tracked three important trends regarding how small businesses learn about and select health care plans:

- Most small businesses (69%) say the process of navigating health care options can be time consuming.
- Small businesses typically rely on human experts for advice. Many small businesses (32%) turn to insurance brokers, consultants or agents to help them make more informed decisions about health care plans.

- Cost is the key driver in decisions related to health benefits. The top priorities for small business owners when considering health care coverage options are keeping insurance premiums and out-of-pocket costs, like co-pays, low.

Survey respondents added that many small business owners (41%) are responsible for choosing health coverage and other benefits. But executives at larger businesses tend to delegate this duty to their HR departments.

The U.S. Chamber advocates for association health plan rules proposed by the Trump Administration, which enable more competitive health care offerings to employees of small businesses. The administration's proposal allows small business owners, employees, and other self-employed workers to join together as a single group to buy insurance in the large-group market. The rules would increase the types of groups that could form plans together, including across state lines.

While opponents point to the parts of the Affordable Care Act that would not govern association health plans, supporters emphasize the consumer protections the rule retains. Several Democratic state attorneys general have sued to challenge the regulations; the Chamber and more than 70 associations have joined the litigation in defense of the association health plan rules.

Vistage members asked about the Chamber's priorities in changing the tax treatment of health insurance for individuals and small business owners to make premiums deductible in the same way they are for large employers. To date, these ideas have been rebuffed by policymakers as extremely costly; policymakers lack the political appetite to take this issue on.

***Retirement: The Chamber seeks to address the "retirement gap" by advocating for the passage of the SECURE Act.***

Americans, especially those working for a small business or part time, need access to retirement coverage, and it needs to be easier for employers to offer such coverage. As one Vistage member highlighted, the typical retirement plan balance for American workers is zero. Many workers simply do not have access to a retirement plan through their employer.

The SECURE (Setting Every Community Up for Retirement Enhancement) Act of 2019, passed overwhelmingly by the House in May, takes a step in solving the retirement security problem. The SECURE Act is a compilation of recent bipartisan and bicameral retirement legislation aimed at increasing coverage and easing administrative burdens, allowing more employers to offer retirement coverage. The SECURE Act is currently awaiting consideration in the Senate.

**The SECURE Act will increase coverage and savings by:**

- Allowing unrelated businesses to band together to offer a retirement plan to their workers and provide coverage for thousands of people who work for small businesses.
- Increasing the 10% cap to 15% for the auto-enrollment safe harbor.
- Providing small business startup and auto enrollment credits.
- Providing coverage for long-term, part-time employees.

**The SECURE Act will reduce administrative burdens by:**

- Simplifying the notice requirements for 401(k) safe harbor plans.
- Allowing for trust-to-trust distributions of lifetime income products.
- Increasing the required minimum distribution age to 72.
- Easing the nondiscrimination rules for closed plans to protect the benefits of older workers with longer service.
- Allowing for combined annual reporting for certain related plans.
- Providing a fiduciary safe harbor for the selection of lifetime income products.

# Executive summary

Throughout the day, Vistage participants and representatives from the U.S. Chamber of Commerce reiterated a few key themes. While the economy remains strong, business decisions are being hampered by volatile policy swings, and it is unclear if Congress will enact important pro-growth policies such as passing the USMCA and passing infrastructure legislation. Tax reform is viewed as a positive, but additional changes to tax policy are unlikely in the near term. All of this is happening against a backdrop of growing public skepticism of the capitalist system.



## 5 key themes from the U.S. Chamber of Commerce briefings

### 1. The benefits of tax reform are still being realized, but no further tax changes are expected.

The 2017 Tax Cut and Jobs Act was designed to make long-term structural changes that will improve the environment for business investment going forward. These benefits are real, significant and will be realized for years to come. Further changes in tax policy are still needed, yet members of Congress demonstrate little interest in further revisiting the tax code at this time. Additional changes are unlikely for now in this divided Congress.

### 2. The Chamber's top priorities are jobs and growing the economy.

The clock is ticking on congressional approval of the USMCA, which the Chamber supports. The Chamber also strongly urges the passage of a bipartisan infrastructure package, but Chamber representatives are not optimistic that an infrastructure bill will pass this year. The Chamber is also aware that a major impediment to growth for small and midsize businesses is the ability to attract and retain workers. To address this issue, the Chamber is supporting policies to help small and midsize businesses better compete for talent by offering greater health and retirement benefits.

### 3. Ongoing policy uncertainty is acting as a drag on the economy and is impeding the ability of Vistage leaders to engage in strategic planning.

A major theme of the day was that throughout their networks, Vistage leaders are seeing the effects of uncertainty out of Washington, most notably around tariffs. Vistage shared with White House officials data from a recent CEO Confidence Survey. This survey showed that uncertainty about the economy's direction is impacting

investment and new undertakings. In particular, Vistage members expressed concerns about new tariffs — real and threatened — on business planning.

CEOs grappling with this uncertainty are unable to project their costs, investments, and availability of supply chain components. Responding to this unpredictability impedes economic growth and distorts investment, as participants detailed questions around supply from Mexico, prices of goods arriving from China, and whether to relocate their supply chains to new countries.

White House officials heard these concerns and committed to take this feedback about the uncertain environment back to the administration.

#### **4. The Chamber is actively involved in supporting pro-growth candidates, nationally and locally.**

The U.S. Chamber is engaged in the political process to advance a pro-growth agenda, invest resources, and leverage its national and local presence to elect candidates that support the free enterprise system. This includes supporting pro-growth candidates in Congress, particularly in targeted Senate races.

Local chambers also play an important role in serving as a powerful grassroots network to amplify the U.S. Chamber's advocacy and support pro-growth candidates locally. Vistage members can make their voices heard through involvement with local chambers.

#### **5. Rising public skepticism of the very nature of capitalism, especially among younger people, presents a significant and growing challenge for businesses.**

The Chamber recently organized a series of focus groups to more deeply explore issues around capitalism. The desire to better understand the attributes of capitalism follows the dialogue in the Democratic primary, among leading members of Congress on social media, and in political commentary.

In the political briefing, Scott Reed, the U.S. Chamber's senior political strategist, detailed how focus group participants cited "CEO golden parachutes" as an example of an unfair, rigged system. Many young people view income inequality as a structural issue, not one remedied by traditional free enterprise policies. They fundamentally don't believe that everyone has a shot at success. And, college debt is a burden to many people trying to launch their careers.

A Vistage participant shared an anecdote about his college-aged daughter — the child of a successful entrepreneur — espousing this very view. She said to him, *"The rules have changed. There is no room for anyone not already at the top to raise themselves up."*

To better understand the core issues and to meet this critical challenge, the Chamber is conducting ongoing research to determine the best messages — and messengers — to counter these concerns. At the highest levels, this is recognized as a fundamental threat to the growth of free enterprise. The Chamber plans to put significant resources toward combating this issue.

## About Vistage Worldwide

Vistage is the world's largest and most comprehensive approach to executive coaching for small and midsize businesses. For more than 60 years, we've been helping CEOs, business owners and key executives solve their greatest challenges through confidential peer advisory groups and one-to-one executive coaching sessions with accomplished business leaders. Today, more than 23,000 members in 20 countries rely on Vistage to help make better decisions for their companies, families and communities. The results prove it: Vistage member companies grow 2.2 times faster than average small and midsize U.S. businesses, according to a 2017 study of Dun & Bradstreet data.

Learn more at [vistage.com](http://vistage.com).

# VISTAGE

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